

**FACTORS AFFECTING INVENTORY REPLENISHMENT IN THE PUBLIC
SECTOR: A STUDY OF THE NATIONAL HOSPITAL INSURANCE FUND-
NAIROBI**

BY

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DECLARATION

Declaration by the student

This case study is my unique work and has not been undertaken for a degree in any other university.

Signature.....

Date.....

Kennedy Musembi Musau

ODL-BML/7/00277/3/2015

Declaration by the Supervisor

This case study has been submitted for examination with my endorsement as University

Supervisor

Name.....Signature.....Date.....

Lecturer Supervising

DEDICATION

To my loving family especially my wife Eunice and best friend's Elizabeth and Rahab Rwinu who have walked and helped me throughout the case study, whose words of encouragement and constant support have seen me come this far. Indeed there is a time and a season for everything and special grace that makes the walk a memorable one!

I salute you.

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ABSTRACT

The study aimed to inaugurate the issues touching inventory replenishment in the community. This research concentrated on the management and operational staff, with specific reference to National Hospital Insurance Fund. Intentions of the research were to examine the special effects of government policy, effects of staff training, effects of technology, and effects of warehousing on inventory replenishment. The study will help employees appreciate the efforts put in by the organization to ensure that catalog is well achieved without delays and disappointments. It will also form a basis for future researchers who may wish to advance the study findings further. The research utilized mutually original and secondary data. The original information involved the use of questionnaires and secondary data that observed what has been done (historical data) and data collection procedures involved pilot testing questionnaires. The data was scrutinized using both qualitative and quantitative methods. The study findings are as follows: Those who defendant by indicating that the factors had effect were as follows, 86% was the response of effect by government policy, 91% was the response on training, the response on technology was 89% at the same time as the response of warehousing was 95%. It was for this aim that it was concluded that the factors affecting inventory replenishment to a great degree. The government of Kenya should set clear measures relating to the inventory replenishment to avoid the misconception which results to poor policy guidelines. Job training is highly commended by the study. The organization should ensure proper technology is maintained to supports the activities which are carried out in order to ensure that effective service to its customers.

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LIST OF ACRONYMS/ ABBREVIATIONS

SOS	-	Seasonal Off - seasonal
NHIF	-	National Hospital Insurance Fund
VED	-	Vital Essential Desirable
SDE	-	Scarce, Difficult Easy to obtain
GOLF	-	Government ordinary, local foreign source
OHSAS-		Occupational Health, Safety, and Service
HTML		-High, Top, Medium, Low

OPERATIONAL DEFINITION OF TERMS

Inventory/stock management it's the administration of non-exploited assets. An element of supply chain management manages the movement of merchandises from producers to storerooms to point of sale.

Government Policy This is a strategy or way of achievement, as of an administration, partisan group, or business, planned to impact and regulate decisions, actions, and other materials

Training This is training or developing of an individual or others, any skills and knowledge that relay to specific useful capabilities. Teaching has a precise goal of refining output, and performance.

The Technology it's a collection of ideas, techniques, and skills in addition to converting them for ways of doing business or service delivery in a more modern and effective methodology.

Inventory this includes unprocessed goods, goods undergoing a process, and already finished goods which are considered to be part and parcel of the business assets that are intended for sale.

Storage This is the process of keeping goods safe in a store.

The Warehouse is a structure for storing of materials. Manufacturers and supplies are the major users of a warehouse. Most of the times warehouses are huge and unutilized buildings in areas concentrated with industries.

Management This is the association and organization of the actions of a business in command to realize distinct goals.

Replenishment this is the undertaking of inventory from upstream or reserve-merchandise Stowing locations to main storage, assortment, and shipment location. The aim of replenishment is to retain inventory rolling through the supply chain, maintaining efficient order.

CHAPTER ONE

1.0 Introduction

The section contains the contextual of the study, profile, statement of the problem that makes the investigation to be conducted, objectives, research questions, implication, scope and chapter summary of the case study.

1.1 Background of the case study

Inventory replenishment is undertaking inventory from upstream to downstream- or primary storage, selection, and shipment location. The purpose of replenishment is to retain inventory flowing through the supply chain, upholding efficient order.

The drive of replenishment is to maintain inventory continuing through the supply chain by preserving efficient order and item fill rates. The procedure helps prevent costly stock overstocking. It also refers to materials held by an institution for consumption in the future days. These items include raw materials, apparatuses, sub-assemblies, work in progress, finished properties, and provisions. The Organization would prefer to maintain inventory so as to avoid hitches in forecasting sales levels, manufacture items, ultimatum, usage needs and service delivery to its customers. Ed c Mercado (2007) catalog administration agreements with the issues of how much to retain on hand and how often reordering. For many organizations inventory is a very vital resource needed for day to day operations.

According to Lora Cecere (2008), many organizations have taken seriously the competence of inventory continuous replenishment. In addition, the appeal of managing supply chain has been appreciated and practiced by many leading and successful organizations. For the past 27 years, many efforts have been primed to streamline the inventory and replenishment procedures; by developing ERP and supply chain

management structures. This has facilitated to an effective supply chain management. However, a modern organization has learned that if delays in inventory replenishment are entertained then losses are inevitable and at a time leading to loosing of customers or business closure. The developments of skills and knowledge in the supply chain management have completed the shortages that faced this profession for many years. As Cecere said, fundamental ideologies for ever-changing procurement processes have made the push and pull of universal rules that can be accepted worldwide.

The Supply chain has been constructed on an idea that a certain rule will allow for demand and supply discrepancy and replenishment method that creates interruptions of goods and services. All associates in the supply chain are struggling with on how best to embrace the least amount of inventory needed. Just like the old structures, they are built on the principle to shift costs up to the benefits of only a few individuals. The delay in demand hints demand changes beyond the next level which makes the feared bullwhip consequence. In the assumption that each link in the sequence is endeavoring to be as efficient as possible, without total consideration of the network, this will result in appropriate inventory replenishment, leading to out-of-stocks on products. So many resources have been used to advance supply chain management over the past 27 years, the fundamental arrangement has made them no different from the one I was trying to improve on, which operated in the 1980's.

1.2 Statement of the problem

Inventory replenishment is of very much great concern to various stakeholders, especially in the public sector. The issue of continuous inventory replenishment in an organization is a very important undertaking which needs to be taken seriously in order to ensure effective satisfaction of its customers and shareholders. The national hospital insurance fund has continued to make progress in enhancing better inventory replenishment. (NHIF 2009 journal) This includes struggles such as better policies and procedures in public sector among measures. However, inventory replenishment in the public sector is static faced with numerous encounters including lack of staff training, government policy,

technology, and warehousing. This research is meant at addressing the question by investigating the factors affecting inventory replenishment in the public sector. The study was conducted in National Hospital Insurance Fund.

Businesses are always affected when the government through its parliamentary system changes rules and regulations. Many are the times the government comes up with a policy that changes the business environment and distresses the delivery of imports to the country and services offered at public organizations; this may include contracts and Levis on inventories making them either delay in the importation or expensive to buy.

The administration can support the advance expertise through subsidized technology that will impact the essential changes. The changes in taxes or duties are necessary for a countries economy to grow, but this move impacts negatively on potential investors who at times withdrawal their interest. The information technology is one sector that should be heavily invested on; the government should consider tax exceptions or subsidies on imported goods that facilitate the growth of this industry. A high tax rate on imports can discourage local and international investors investing in the technology industry. A high tax rate for raw materials is a hindrance to the domestic growth of industries, this result in the lay off employees and at times closure of businesses is witnessed. Numerous are the times in Kenya natural abilities and talents are not natured to maturity. This discourages young innovative ideas from incubating and hatching to technology development. People with special abilities and talents should be identified and supported both technically and financially. This is quite the opposite in many developing countries; people with ideas have been used by the politicians for their political advancement especially when making campaigns and later forgetting their promises to them. The national technical colleges lack new learning technologies that can support the modern day and age advancement. Organizations fail to improve on service delivery when they do not support staff training.

Employees fund to the success of an organization when they are skilled to perform their duties, the workforce feels motivated and create a sense of belonging. Staff training entails the employees to work with a dedicated spirit because they understand that their

employer values them as an important asset of the organization. Many organizations do take it seriously to train their employees instead they consider the cost of training as a loss to the organization; they see it as the needless expense and expect new employees to copy paste what their colleagues are doing. This training is inadequate and forms challenges for the organizations. Individuals are expected to perform his or her duties without mistakes or errors yet they have not been equipped with the necessary skill that should act as a guideline for their duties. Training makes inventory personnel improve their attitude and be efficient workers.

1.3 Objectives of the study

The main objective of the study is assessing issues affecting inventory replenishment in the public sector orientation to National Hospital Insurance Fund. The research is meant to finding the effects of government policy, staff training, technology, and warehousing on inventory replenishment.

1.4 Specific Objective

The learning was conducted by the following objectives;

- i) To examine how government policy affects inventory replenishment in the public sector
- ii) To determine how staff training affects inventory replenishment in the public sector
- iii) To assess the effects of technology on inventory replenishment in the public sector
- iv) To evaluate how warehousing affects inventory replenishment in the public sector

1.4.1 Research questions

- i) How does government policy affect inventory replenishment in the public sector?
- ii) To what extent does staff training affects inventory replenishment in the public sector?
- iii) What is the effect of technology affect inventory replenishment in the public sector?
- iv) To what extent does warehousing affect inventory replenishment?

1.5 Importance of the study

1.5.1 Board of Management

This study is believed to be of countless significance to the management of NHIF. This entails the problems faced in the organization such as staff training, government policy, technology, and warehousing. The study will also provide material to research association and academics who will be interested in carrying out further research this extent. The research shall assist specific researchers to identify breaches in the present research and convey more expansive research. This study will enable the researcher to have a profound and broader considerate on inventory replenishment in the public sector, thus attainment more knowledge in areas which were not familiar to the researcher. The researcher will also understand how staff training, technology, government policy, and warehousing affects inventory replenishment in the public sector in Kenya.

1.5.2 Other researchers

This study will give contextual material to scholars and research institutions might want to convey out advanced research in inventory replenishment. This research shall assist precise researchers to identify breaches and carry out further research in those areas.

1.5.3 The researcher

The researcher will also understand how staff training, government policy, technology, and warehousing affects inventory replenishment in the public organizations in Kenya.

1.6 Scope of the case study

The research was confined at National Hospital Insurance Fund headquarters in Nairobi, community area. The research targeted top-level management, the middle-level management, clerical officers and support staff. The organization has a total number of two hundred employees in the headquarters. The study will take a period of eight months and was conducted between January 2017 and September 2017.

1.7 Chapter Summary

It is evident that this study will facilitate other researchers to identify gaps that could be extensively conducted to form the basis for their study. Moreover, inventory replenishment in the public sector is still faced with various challenges such as lack of staff training, government policy, technology, and warehousing. This study was conducted at NHIF Nairobi branch between January and August 2017, taking a total of eight months to conduct the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Chapter two grants comprehensive theoretic literature evaluation of past studies conducted in the subject area, empirical literature review, summary and research gaps and the conceptual framework. The resolution of the review is to scrutinize the available studies from the scholars and researchers who have done studies on the same subject under investigation. The study provides a foundation for which the study was conducted since it enabled the comparison to be effectively achieved.

2.1 Theoretical review of literature

2.1.1 Resource-based view.

By coming up with a budget in organizations is an important move in controlling expenditure. An organization is composed of many departments and each one has the allocation of limited resources. A budget enables organizations to plan effectively on how best to achieve its goals and objectives effectively irrespective of resource constraints. According to (Philip 2000) resources will always be limited, with ever-narrowing profit margins, all integrated departments need to keep track of expenses this is because Salaries and office expenses, utilities, repairs, and maintenance are directly affected by how much an organization uses in expenses, This situation may cause an organization to revise their budget periodically.

The national insurance fund managers and the board of management sign an agreement that is binding as far as revenue collection and budgets are concerned. Each branch manager is allocated a certain target that the must achieve to collect revenue from employers. These targets trickle down to the individual in registration and compliance officers who have a minimum of seven new employers. These officers are allocated revenue targets according to a particular zone.

The organization has a mandate of ensuring that the collected revenue is well utilized mainly to pay hospital claims for both outpatient and inpatient. When all claims have been settled, debtors have been paid and salaries are paid then the organization makes a financial budget set for either six months or quarterly. The office branches are sometimes affected as the monies they request for; this is because at times their budgets are slashed by a certain margin by the head office. This move affects the performance of branches; departments like procurement and supply chain are unable to balance their continuous replenishment of stock thus having delays in service delivery both to internal and external customers.

2.1.2 Theory constrains theoretical literature review

Inventory replenishment is a process that entails in the creation of the stock jam-packed again to avoid stock-out. Replenishment is normally initiated by a backorder distributed to a dealer or to a producer, perhaps sent through electronic data interchange.

So as to advance productivity, utmost ERP, and stock controlling systems contrivance replenishment rules to computerize processes to some extent. Replenishment is usually activated when the inventory level reaches the reorder point also called re-order level. When the reorder level is achieved, a command corresponding to the economic order quantity (EOQ) is created. ERPs characteristically provide some provision for the mathematical calculation of the EOQ.

Inventory replenishment is well-defined as "moving of goods from a warehouse or wholesale storage zone to an order pick-up or consignment area." The movement of the goods needs to be documented. Some of the most vital aspects of inventory replenishment are lead time, order capacity, and the replenishment intermissions.

Inventory replacement theories exist in many literature reviews done by various scholars, this data is majorly available on the internet platforms. Organizations stock replenishment and management are guided by the use of just in time and deterministic continuous

review. These concepts are intended to safeguard needed substances inventories clienteles.

These theories are;

Just in time;

According to this theory, items are manufactured when they are needed by consumers. This theory's major benefit comprises overstocking of goods and minimum storage spaces are needed. When an organization deals with perishable goods these methods enables minimum wastages. Producers dealing with expensive goods like airplane and ships items prefer to use this system. This is because the storage of this products needs to be handled carefully and any mishandling may result to massive loses. Just in time method is also best for goods that require range products like wedding cakes, this is because it's best to buy only what is needed to produce the end product other than tying finances when products are locally available.

Heijunkas

Toyota Company is one of the leading companies in the world that manufacture vehicles and spare parts. Heijunka is a Japanese word that means no or minimal waste. The company uses this theory to keep its idle production time at a minimum rate. Since the company is a multi-national organization, many are the demands for new cars and spares for its widespread clientele. The company makes motor cars prototypes on daily and weekly basis; this is based on the specifications of the customers. Many Japanese organizations are clustered on the production of various products, these calls for specialization of the small businesses enhancing efficiency due to a utilization of professional skills. The businesses practicing Heijunka produce seasonal products making a reliable number of merchandises each week throughout the year instead of rushing to produce orders during the busy seasons.

Deterministic continuous Theory;

Organizations and most retailers practice this theory whereby they ensure that they have items stocked and making orders to replenish their stocks when their levels begin to drop. This method is only advisable when an organization is able to forecast its customers' orders and the distance to deliver the goods is minimal. For example, if it can take more than a week or two for goods ordered to reach your stores, then definitely an organization needs to stock sufficient stock that would be able to last for that waiting period. Failure to have this in consideration means that one will have to turn away customers while his or her stock runs out.

Organizations that have a precise inventory are less likely to go over budget on manufacture expenses. Inventory is one of the main factors of the consumer supply chain. Some establishments will buy excess inventory to reimburse for a breakdown in communication. This can be a blunder by marketing and sales professionals, exaggerated sales revenue for a set time period, or unsuitable control of the supply chain.

Replenishment is simply the coordination of product movement through the supply chain management. This requires that your stores have adequate stock at the right time and quantity to meet the demand at the desired level. When the stock is at par slightly below the required amount, then refill is a must to avoid discontinuity of daily business or frustrations of the customers. Organizations incur huge losses when inventory replenishment is not done at the right time. Efficient replenishment is not made to eliminate stock-outs but rather to provide an uppermost level of service to avoid economic pressures.

D Chandra Bose– 2006 states that operative inventory replenishment entails the thoughtful and knowledge of the nature of inventories, and to advance this understanding the following breakdown and classification methods are available these techniques are ABC, HTML, and XYZ, VED, FSN, SDE, GOLF, and SOS analysis. The motive behind this analysis and their classification is to challenge the important features more

thoroughly. Moreover, an equally serious analysis of all items will be very expensive and will have a mellow effect regardless of priorities.

2.2 Empirical literature review

There is a link amid inventory replenishment management and the output of the organization. Research also shows that inventory management and performance will vary between work institutions and will change over time. The organization will be able to manage inventory as a result of the study as well as the community will benefit from better and timely services.

In the review carried out by the researcher concerning the study, it was partly shown that the mentioned factors such as Government policy, staff training, technology, and warehousing affect inventory replenishment in the public sector in relation to the NHIF Nairobi. The only critical review was that these factors have not been linked to the public corporations. This study fills this gap by identifying the effects of these factors in public corporations with specific reference to Nairobi branch.

According to (Kotler and Armstrong 2006), found that every member of the staff in an organization should have or possess characteristics that should enable him or her to work well in the department he serves, for example someone in sales should confidently have a lot of enthusiasm, persistent, good communication skills initiative, self-confident and job commitment, but they did not include in their study how the characteristics that the employees have will help the person to perform his work properly when dealing with different customers.

Hernty (2006), he defined technology as an asset that is technical knowledge acquired through capital expenditure on research and invention for further studies, but he did not include in his research way technology could be utilized by an organization to yield goods and to improve it services. He further says that nevertheless, the rapid increase of the standard of living of the people over hundreds of years has largely been due to the

development and application of inventories such as steam engine, the internal combustion engine, electric power, and electronics.

According to Ernst F. Bolten– 1997 stated that an integrated storeroom management structure will help Businesses achieve optimum use of space, time-efficiency storing, and retrieval, perfect inventory accuracy, improved response time reduction in carrying costs. Establishments keep inventories to deliver a continuous supply of materials to various departments; this enables uninterrupted activities and service delivery. Basically the organization should make two basic management decisions: first, know how to track inventory (i.e. make information on how much is on hand; where is it located, and ensure technology especially bar-coding is properly implemented through staff training.

2.2.1 Government policy and inventory replenishment

A government policy is a principle intended to lead decisions and enable people and organizations to have balanced results that are acceptable to all. Governments through the legislature make and amend laws that are intended to ensure a smooth running of processes within the administration. Policies support decision making, law implementation, and execution of duties in organizations. They act as a guide and protection of individuals and organizations from people that may want to take advantage of situations and occurrences. Rules guides managers in institutions to make wise decisions that founded on relative virtues on a number of factors in consideration. The government comes up with policies and enforces them in order to protect properties and possessions.

Saiyadain (1996) stated the government plays a major part in ensuring that organizations grow steadily by ensuring policies that safeguard their properties. Various institutions like the ministry of labor and Institute of Applied Research have over the years achieved a plan which shows rising demand for various skills development. Organizations have from time to time collected data on their personnel for various reasons, such as level of education, age, gender, and durations worked with the company. This analysis helps organizations to plan for their employees in terms of training needs, gender balance, and

retiree's budget. A government section makes use of this data to project employment standing and rate the unemployment level according to the total population of the county. Many developing countries need to balance the weight they put on formal employment and rather concentrate on facilitating policies that favor the development of the informal sector. The informal sector employees many individuals in many nations and if subsidies are introduced on imported goods this is a very vibrant industry that can produce tremendous results in terms of economic growth and development.

Roberts (2003) says a policy attempts to focus employees to achieve a set goal and objective for the success of all. These rules are used to interpret institutions plans into measurable goals that can be realized. As a result, all individuals in the company should embrace the strategic plan, and work towards achieving the set goals. He emphasized that for an organization to realize its main objective, the employees should be aware of what is expected of them on daily basis.

Joel (2008) indicated that to have an effective tobacco control a good legislation is inevitable. Each country has a binding pledge for tobacco control and regulation. If the industry of tobacco lacks binding laws, this could see many side effects of the tobacco products and would lead to many people losing their lives at a tender age. For example, some countries do not allow the sale of tobacco products to people who have not attained the age of 18 years old. This is a legislation that is aimed at protecting the youth from being exploited by people who have no parental instincts but are only focused on economic development and self-interests. Much legislation has challenges especially lack awareness for those mandated to enforce these laws. There also exist the challenges of financial support .e.g. a police officer is expected to arrest a citizen smoking in the public and arraign them in court, whereas this officer is not facilitated with a vehicle to do the transportation of these criminals. A strong commitment is required both to the law makers and those mandated to execute their laws. The accomplishment of tobacco legislation will depend on the level of cooperativeness of various stakeholders involved.

There is a need for compliance mechanisms, financial support, and technical resources, in addition, a political support and public awareness.

By the period 1900 Europeans and American industrial system developed on its French system of economics- laissez-faire which promoted the market economy and free from government interferences. Tulsan (2000), the government makes changes to particular policies regularly and this affects the supply of material in the country. Taxes and policies imposed on goods make them expensive and delay in their shipment.

This system implied production and distribution of goods and services without government rules. The comprehensive free market economy (FME) succeeded over a considerable period of 50 years, between 1900 and 1951 when Indian Act came up.

Thus the end of First World War no serious industrial disputes were there in India even though modern industries were set out in India by the middle of 19th century. However other war, due to inflation and escalation of price, labor demand raised the wages, when this was denied they resulted in strikes. Due to those strikes, Indian employees took the following legislative measures. Employees fund Act provided the compulsory usual contribution to be provided by the employer; industrial disputes provided payment for compensation for “lay off” and retirement. Employment Act provided adequate job opportunities to workers among many others, By Lithuania (1999).

Paul (2008) states that the 1999 Tobacco Control Bill consented by the government of Kenya on 5th August 2007 passed a law by the President Mwai Kibaki on November 2007. The bill took effect on 8th July 2008; this was exactly eight months after being law. This law had a fundamental effect on the industry, with several of its provisions requiring major adjustments by the tobacco producers.

After the bill assented to law, all county councils in major towns executed the law, this entailed burning of smoking in public vehicles, gatherings, and all offices. Several spots were set as smoking zones and were labeled accordingly. The public smoking was majorly executed and those who failed to obey this rules risked being arraigned in court

and paying hefty fines. Cities like Nairobi, Mombasa, and Kisumu were previously affected by this habit as people could be seen smoking on the major streets and highways without putting non-smokers health into consideration. Years later there was hullabaloo as tobacco producers sought ways to overturn this law. The manufacturers managed to have the implementation suspended; this move though was short lived as the ministry of Health fought to ensure the law was practiced fully.

The government increased the cigarettes prices year after year; this move not only increased government revenues but also saw a decrease in the number of chain smokers. Many customers shifted from very expensive brands like the embassy to less expensive brands like Rooster, safari, and Rockets. The excess duty imposed on cigarettes by the government was passed on by the manufactures to the final consumers who bought cigarettes at a more expensive price before the enactment of the law.

The local county councils in major towns executed suggestions to criminalize smoking in public places. This included the cities of Nairobi, Mombasa, and Kisumu, as well as larger towns countrywide, actions were taken over the years to ban public smoking, with arrests and fines being imposed to enforce the law. These measures were mainly the Ministry of Health and local government initiatives. Though, there was major hullabaloo later in the year after implementation of the 2007 Tobacco Control Act. The minister for local government upturned the ban on public smoking, mentioning a fight between the Tobacco Control Act and local authority by-laws that banned public smoking. (Paul 2008)

There were rises in the price of cigarettes over the year, mostly due to tax increments imposed on producers. This led to customer change toward less expensive brands, such as; Safari, Rooster, and Rockets. Manufacturers made the increase in excise tax on the consumer, (Paul, 2008).

In regard, to statistical studies performed, it is clear that local and multinational producers of cigarettes have a high political connection in Kenya and many more developing

nations, this close tie has resulted in the influencing the parliamentarians and cabinet secretaries to overlook some of the laws from implementation. A case in Kenya; whereby legislation was passed to force cigarette producers; to label their brands with photos of possible side effects as a result of smoking cigarettes. This according to some government official has not been implemented because of political interferences of both locals and international organizations. Legislations are aimed at protecting all parties and citizens in a country against punitive individuals who have the intention of taking advantages of others. (Paul, 2008)

2.2.2 Staff training and inventory replenishment

To maintain a dynamic and an inspired employee, staff training has extraordinary positive outcomes. The use of technology to train employees comes in hand with marvelous results of a motivated workforce. Employees that are regularly trained on the job perform better compared to their colleagues who are rarely trained. Training not only does it increase staff morale but also keeps the employees up to date, enlightened, and willing to offer better services to the employer.

Alvin (2006) said that staff training is an acquisition of skills, roles, and concepts that enable a person to improve his or her performance. Moreover, for a business to succeed, the training of employees is an inevitable event. The resources used to the training of employees are incomparable to the results and performance of these human resources.

Lyson (2000) recognized staff training as a perception that is continuous. This recognition has an inherent and important basis that our greatest assets that everything else depends on are the people. Some organized activities designed at conveying information to improve the receiver's recital and them to attain a required level of knowledge.

According to Benet (1997), employees should work together to ensure skills and knowledge benefits each one of them in order to achieve the set organizational objectives. This is because training changes how people perceive work, it creates a revolutionary

mind that enables employees to positively view work as an opportunity to make a difference and not just as a means to make ends meet.

Training normally assists people to advance their skills in a particular job while staff growth really to the improvement of an individual overall capacity to pursue a profession. According to Cole (1990), the scope training and development activities as in the most other activities in an organization depended on the policy strategy of an organization. According to the public Act (2005), inventory entities shall establish inventory units that shall be staffed by professionals. The Act further gives the function of the inventory entities and units.

Armstrong (1999) states that in most organization procuring of goods or services and balance of economic order quantity is not done in a proper manner and therefore the staff should be trained adequately. When ordering and holding costs are reduced, the Economic Order Quantity model is balanced; there must be a balance between inventory holding costs and inventory ordering costs.

The cost of holding a stock is well defined as the cost connected with holding extra stock in addition to what is considered the normal stock. A stock holding cost consists of warehousing and logistical expenses, insurance expenses, and material handling expenses. EOQ (Economic Order Quantity) trails to decrease these costs by ensuring the right amount of inventory is ordered and avoiding the excess stock.

De Centdo & Robbins (1996) emphasized that employees perform better when trained and their abilities are sharpened. Training motivated employees and minimizes challenges that are faced on a daily business. He notified employers to look at the bigger picture and avoid chasing dreams at the expense of individuals who are unaware of what is required of them at work.

These skills enable employees to be relevant in their jobs and conversant with day to day activities of the organization. Training has a vital impact on businesses day to day

operations of a business. It does not matter the size of an enterprise, training has many benefits that enables a business to realize profits and business growth.

Gordon (2006) states sufficient training and availability of improved management facts and some advancing thinking, all types of risks, and meaningfully reduced. She concluded her research by saying that inventory balances and good replenishment procedures is that an organization is to improve and become accountable to changing circumstances and can be improved by leadership skills through increasing decisions making by providing training and consistently high to increase project success and also greater focus on the training and guidance, emphasize the importance of focusing on outcome rather than process.

2.2.3 Technology and inventory replenishment

Doily and Kauffman (2001) Today's society is diverse to the one that existed not so many years ago. This world is constantly changing and more advanced technology advancement has been achieved. The vital features of our era may be the broadcast, renovation, and power of information. This world is an information society where the foremost part has been given to new technologies, especially those enthusiastic to information. Our culture could not be imagined without new technologies and their role both in this society and in human life, in overall, concluded that technology affects the whole catalog process. This process theme has been furthered by Pantaiotor et al (2004) who said that if routine ordering indirect goods are in line with automated e-inventory; this will provide a solution at one end, through to more complex inventory as out-sourced service, where e-inventory can support the integration of the entire inventory management.

Lucy (2005) said that technology in the offices allows businesses to grow fast and resourcefully. Most industry know-how such as social networks and essential office technology has substituted workplace boundaries that heretofore inadequate business growth. With business technology, companies can aim a wider client base and raise to

higher levels states that expertise helps share information about the inventory made and increases the speed and accuracy of the inventory management. It also reduces the cost of inventory orders, helps in speeding of notification of production changes adjustments, specifications and enables the organization to share information and quality problems and compare potential supplies quickly, effectively and efficiently. Also, states that technology has made it possible for inventory to share data and makes it easy to access information in which it keeps clear records of items and making reorder easier. It is seen further that the establishment of technologies like barcodes to assess information on products in supermarkets makes service delivery easy and time-saving.

Moon(2005)says the benefits of technology are lowered transaction, costs, standardized and more efficient inventory management and better control on the inventory spending less paperwork though internet and re-engineering inventory of inventory procedures; which are affected by cultural dimensions. The use of technology in business is important because it improves communication in the office. This has enabled employees not to be restricted to phone calls or inter-office e-mail to communicate with each other anymore. E-mails allow workers to send messages quickly and communicate detailed information on a platform that is confidential to users. Business technology improves message with clients and business associates because information can be agreed through numerous channels almost immediately. The use of e-inventory in public sector should, therefore, take into account the cultural properties while implementing and designing systems that will be used in the inventory management since culture plays an incremental role in technology adoption and behavior of inventory.

Rode (2001) argues that the government influences the e-inventory environment. According to Ray al (2002), technology is named as the “revolution” due to its potential to reduce the total cost of acquisitions. Gupta (2002) says competitive environment significantly lowers process inventory levels shortens the ordering process and prepares the organization for increased technological collaboration and lower the product prices.

Ruth (2008) stated that Bar-codes are essential in managing and merchandising procedure. It is imperative that your POS has dominant bar-code administration and cohort competencies built into it. By using barcode technology, your account management and tracking will be much more exact.

According to Posterita who solved many challenges that supplier's face with working with barcodes. This is the only feature that makes Posterita stand out amongst other cloud POS systems. Bar-codes are part of just about every retail operation out there. With Posterita, one cannot only practice them more efficiently; you can use them more productively.

Margaret (2009), a bar-code technology involves the use of small images, lines and spaces that are attached to inventories mostly sold in retail stores and major shops. This technology of bar-codes entails a classification of perpendicular blocks and spaces to represent quantities. A bar-code symbol consists of a quiet zone, a start character, and numeric characters. There are several different bar-code principles that serve different purposes. International standards advise bar-codes to be in a sequence that is not a duplication of existing codes but rather comes up with unique codes to represent certain brands of products. Since 1973, identical product codes controlled by the identical code council has delivered a standard bar-codes utilized by retail shops. Joe Woodland invented the original bar-code structure which permits an extra pair of digits and is becoming widely used.

Glenn Tyndall (2011), bar-coding and record management software is a type of accounting software designed for retailers, distributors, and wholesalers to achieve all aspects of the inventory processes, from packing to shipping to a sale and stock balances through replenishment software. This assessment covers some of the most popular bar-coding and inventory management software offered on the market today.

Inventory management over the years been boosted by the use of bar-code scanners enabling organizations to store and retrieve goods in the warehouse easily. The store and

dissemination of data in a warehouse are very much manageable by the execution of this technology. Beck, Grajek, and Wey (2011) made use of storing comprehensive data in their system by the help of this technology. Beck recognizes that this information could have taken approximately ten years by the use of human power to type in a computer. But by the use of bar-codes, this was realized within a span of one year only. A bar-code scanner at retail trade shops not only identifies a particular product and its prices but also helps keep stock balance. This is facilitated when a product has been identified through the process and computer software deducts it from the stock. The management of a store can be able to do an analysis of products remaining and what needs to be restocked, through this process EOQ achieved.

A hardware maneuver is almost useless without the appropriate software running on it. Bar-coding Inc. has worked to forge organizations with leading providers of data collection software. As an overall solution provider, we provide leading software solutions for your devices that assimilate with your current network. A business or rather an organization needs to maintain a normal or sufficient stock to facilitate the smooth running of the business; fixed assets like computers, phones, office equipment's, and furniture's required bar-code identification to enable their accountability and safety. The use of bar-codes on assets facilitates a fast and less tiresome exercise when conducting stock-taking exercise; this shortens the exercise and takes only one-tenth of time proving a more precise stock taking application.

2.2.4 Warehousing and inventory replenishment

A warehouse is an important investment of an institution or manufacturing element that enables flow of activities. Saxena (2003) recognized a warehouse as a reservoir of raw materials that manufacturers use to a waiting to transform them into finished goods; the same warehouse can be used for storing finished goods that are ready to be shipped to the market. A warehouse contains a variety of goods and thus a good system is vital to ensure that retrieval of materials is easy and saves time. Officers deployed in a warehouse should have the required skills to handle materials; they should be able to identify when

the goods in a store house are getting depleted and how soon to refill the stocks. Delays in restocking can cost a business huge losses and lead to losing a customer. Employees working in a warehouse need to keep proper records for appropriate accounting, management of information, and data analysis.

Warehouses contribute to a very vital economic importance; they increase business and organization profits, this is because warehouses collect, hoard, and preserve goods waiting to be transported to consumers. Long are the days when institutions used rescheduling plan to delay the distribution of goods and by this exploit the businesses uncertainties.

In the current world of business, a warehouse has been a major part of organizations necessity. It aims to enhance sales income and profits over a short duration of time. Warehouses offer many services to an organization like; receiving of goods, storing, picking items, and shipping the goods to final destinations.

Organizations that are able to make proper use of a warehouse, will always enjoy the benefits of the later. Some organizations that don't have a warehouse can always rent space to ensure that its goods are secure. It depends on how best an organization bargains for space and utilize the same efficiently, by minimizing space wastages and avoiding storing of archive goods. Warehouses are also used to store goods like cars to retain their original worthiness. Raw materials are also stored in a warehouse in this case, not for processing but waiting to be sold to another buyer. Raw goods needed by industries or local companies can be bought and preserved in a central warehouse. This warehouse can serve many companies that lack their own and rent out spaces in a single warehouse. A ready to use goods warehouse and raw material warehouse both perform the same purpose and no distinctive difference is identified like many scholars would want to differentiate the two. Another purpose of a warehouse is empowering movements of goods from one area to their final destination. Employees in a warehouse play a major role by parking the goods and distributing to the requested endpoints

Rushton (2004), pinpointed that issues that ought to be well-thought-out in coming up with a warehouse include; the market and product performance. A long-term market projection for growth and products performance is a major consideration before setting up a warehouse. A warehouse that has been build due to the availability of space is doomed for closure or low returns as the customer or end user was not considered since its inception. Warehouses, storage, and distribution centers should operate as ultimate constituents of a supply chain management. When setting up warehouses key decisions must be steadfast by the overall challenges and difficulties faced. There are certain considerations that must be adhered to when setting up a warehouse. This includes the type of materials to be stored, sizes of goods, and other features. Some goods like medicine and chemical weapons require a warehouse with temperature regulators or air conditioners; this calls for investors to be well informed of the warehouse locality and its purpose before constructing such facilities that consume a lot of time and resources. The location of a warehouse is also a major consideration. Warehouses should not be located too far from customers or uses of the products. When warehouses are far meant another extra cost will be incurred to transport the goods to the consumers. These facilities should be as near as possible, to avoid inconveniencing businesses that practice just in time method to produce their products.

A warehouse comprises of 3% to 6% of the total costs of sales of a firm; this indicates that the proper management of this facility should be keenly observed, to avoid impacting negatively on the performance of a business. When warehouses are utilized to the fullest, high returns in profits are realized by businesses. Storeroom administration is important to any logistics system, which is an essential fragment of supply chain management.

Central location

A warehouse is a location that allows shippers to obtain, store and issue products. As products come in at the warehouse, the work for the products will transfer to the personnel in the warehouse. Safety measures must be established. In addition, the product's organization impacts shipping times.

Value addition;

The main aim of logistics coordination is to increase efficiency and facilitate satisfied customers by reducing costs. Warehousing enables the movement of products at the right time and place thus minimizes delays that could appear as a result of no available facility. It contributes business stability and generates realizable profits when an organization runs a warehouse by its self; this includes a warehouse being able to maintain proper records of its stock available, the location of a catalog, and what is needed to be stocked as a matter of emergency.

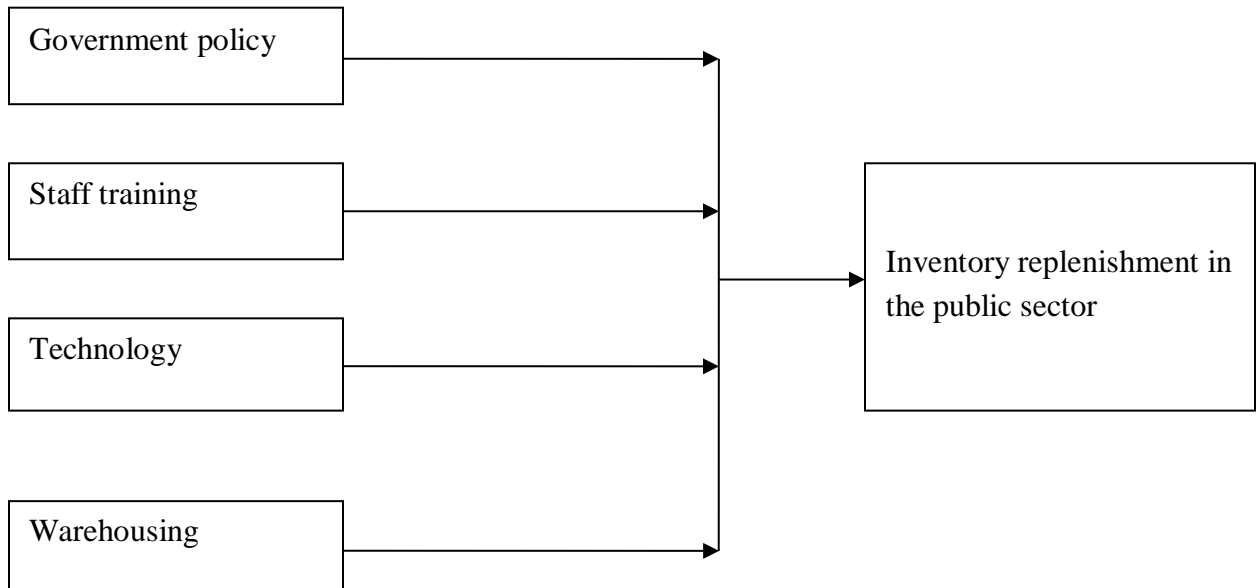
Financial remunerations

Business and customers at large benefit from a central warehouse as storage costs associated with transportation are minimized since the dispatch of products is centralized; compared when the products were to be from various locations. A warehouse can accomplish supply and demand effectively when businesses remain cost-effective. The financial reimbursements associated with a warehouse that is managed well will have a positive impact on the business and realistic profits will be achieved. 2.3 Summary and Research gap. The writer came up with views regarding how the government policy affects different business organizations, No definitive study has been carried out to quantify exactly why this has been happening within Kenya's public sector. It is this gaps that this study will seek to fill. In regards to staff training an organization heavily benefits when employees are equipped with modern skills In addition, the government –supplied manuals remain the reference for all disposal procedures and its evident that the only readily available literature on the subject is in the Government regulations and circulars and that not a lot has been researched in this area. The researcher aimed at filling this

gap. Very few studies have been made on factors leading to poor implementation inventory replenishment and the few that have been conducted are not exhaustive in that effectiveness of inventory replenishment and the maintenance of stock have not been well linked.

2.4 Operational Framework

Table 2.1 Schematic presentation of the Variables
Independent variables



Sources: author (2017)

2.5 Operationalization of variables

Variables	Indicators	measures
Government policy	Taxes, tariffs, quotas and total ban.	Questionnaires and quantitative technique
Training	Poor performance, insufficient information on work know how	Questionnaires and quantitative technique
Technology	software's	Questionnaires and quantitative technique
Warehousing	Sufficient spaces	Questionnaires and quantitative technique

2.5.1 Government policy

The rules and guidelines will give a person or organization instructions to follow when entering into a specific transaction or transactions. ... “Rules and regulations are made to enforce laws, either civil or otherwise regulations. Rules and regulations in Kenya are mostly set by the government through the parliament, these laws regulate the success or failure of various organizations, like a rule concerning subsidies brings success to the organization’s daily activities. The set rules help to work in accordance with the formulated policies and procedures. Organizations set their standard rules that govern their activities according to government policies.

2.5.2 Staff training

Training of staff benefits employees to increase knowledge and skills and to improve performance in their current jobs. Growth is enormous and emphasizes on employee development and future achievement of tasks, moderately than an instantaneous job role. Staff training facilitates the development of individual’s ability and generates a satisfactions feeling within the employed task force. It creates the ability to achieve set

goals and objectives that earlier were seen unrealizable and difficult to achieve. Members of an organization require skills to properly manage inventories.

2.5.3 Technology

This is the congregation of procedures, skills, and methods secondhand in the production of goods or services or in the accomplishment of purposes, such as systematic investigation. It helps share information about customer demand, fluctuations, increases speed and accuracy with which business can be exchanged. It also reduces the cost of inventory management, helps in speeding of notification of products change in the market and their respective adjustments, specification and enables the organization to share information on quality problems.

2.5.4 Warehousing

Warehouses are very vital building for storage of raw goods and finished goods. It facilitates the flow of goods between producers and end users. These facilities vary widely in terms of their roles and features. A storeroom enables depository of all stock materials required by the organization, this facilitates just in time supply of required material to various departments within the organization. Warehouses are a significant factor of logistic actions, and an important supplier to speed and cost in supply chains.

2.6 Chapter Summary

Inventory replenishment helps organizations to prevent costly inventory overstocking. In this chapter, it's established that some organizations will buy surplus inventory to reimburse for an interruption in communication. Many companies should avoid too much inventory on hand through minimization of the batching system. Inventory replenishment should consider balancing maximum stock level and minimum stock level and ensure an average manageable stock is maintained. In this chapter warehousing, staff training, technology, and government policy play a major role as inventory replenishment is concerned. They all have an impact to replenishment of goods, and their consideration in business enables them to realize tangible profit margins.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

In this chapter; a description of methods used by the research is discussed to respond to inquiries capture in previous chapters of the research study. The methodology used in this case study entails; targeted populace, sample, and selection technique, pilot study, statistical assembly procedure sample size, data collection analysis, and presentation.

3.1 Design of the study

This research entailed descriptive survey design integrating quantitative and qualitative paradigms. Investigation design well-defined by Donald (2001) is a design and edifice of examination regarded to acquire answers to investigation inquiries. The design is suitable because he engages questionnaires to collect information about the subject's sentiment, opinions, and perceptions (Kerlinger, 2000), hence a plan to show how the problem of an investigation will be solved.

3.2 Target population

A target population entails the use of the whole component of data that is in a review to make decisions. Components are therefore defined and the results of the survey are intended to be simplified to make appropriate meaning of the study. The National Hospital Insurance Fund has a population of 700 employees. Out of these employees, the study will focus on the departments which are dealing with administration, personnel, and procurement. Most specifically; factors affecting the implementation of inventory replenishment on organization performance at National Hospital Insurance Fund.

Table 3.2.1 Target Population

Category	Target	percentage
Managers	10	7
Supervisors	20	13
Clerks	68	45
Operation officers	40	27
Support staff	12	8
Total	150	100

Sources: author (2017)

3.3 Sample and Sampling technique

(Mugenda and Mugenda (1999), Stated that a sample is a sub-group acquired from the reachable populace this subcategory is cautiously nominated so as to be exemplary of the entire population with the applicable features. Each affiliate or instance in the illustration identified as a subject, respondent or interviewees. This technique was suitable since it enabled to symbolize not only the general population nonetheless also the fundamental subsections at the inhabitants. This system was paramount since it reduced biases. This process involves choosing particular numbers of individuals independently such that those chosen majority from the group they were picked from. This selection should ensure no less than 30% of the total population is represented (Gall and Borg, 2003). States that 30% of the available population is adequate for the sample dimension.

Table 3.2.2 population sample

Class	Population target	size of the sample	percentages
Managers	10	6	10
Supervisors	20	10	17
Clerks	68	20	33
Operation officers	40	14	23
Support staff	12	10	17
Total	150	60	100

Sources: author (2017)

3.4 instruments

3.4.1 Primary Data

This is data collected straight from the field of study or investigation. The information was obtained by means of both open and closed questionnaires to obtain information from the target population. This method is best suitable since majorities of the respondents are well-educated and the method is suitable for this research. The researcher provided the questionnaires later selecting the interviewees, the selected respondents have issued the forms and by which the researcher unruffled them upon completion to ensure high return rate. Since there is no expediency of time, the respondents were encouraged to complete within one week. This was enough time to fill in the questionnaire because of the simplicity in compiling the questionnaires.

3.4.2 Secondary Data

The researcher finds it beneficial for his or her study. Mainly the foundations of secondary data comprise censuses, information collected by public departments, organizational accounts and data that was initially composed for other research purposes. This is perceived what has been already been completed i.e. past data in procurement unit and also from internet sources.

3.4.3 Reliability and validity of the research instruments

The researcher obtained permission from relevant sub-divisional segments of the association to meet people then give out the questionnaires. To certify consistency in addition rationality questionnaires were pre-tried with three interviewees. The data retrieved from the trial study was not included in the case study. This trial questionnaire proved to be very efficient as some mistakes were recognized and corrected at early stages.

The investigator tested the questionnaire prior to collecting the definite data was carried out whereby the researcher gave out three questionnaires to determine how best the interviewee understood the questionnaire.

Some Semi-structured questionnaires were engaged by the researcher; subsequently, it was easy to measure the efficiency of the tool and also endorsed the interviewees. This procedure enables the researcher to collect the opinions of the interviewees. The study involved the use of a number of questions, which were open-ended and provided a room for the respondents to fill in comprehensive information regarding the case study. The researcher took upon himself the responsibility of delivering the questionnaires to the employees of NHIF in Nairobi.

3.5 Pilot Study

The researcher visited the organization on numerous occasion, this was first to make an introduction of the intended survey and seek authority from section heads of the organization. The researcher did a pilot study on three respondents. These respondents were issued with a questionnaire each and were requested to fill in while the researcher waited. The collected findings were not captured in the final study, as collected data was used to ensure that the questionnaire contained sufficient tools to obtain data.

3.6 Data collection procedure

The scholar embraced the practice of the questionnaire to collect data. This was done through issuing of the questionnaire to the respondents and later collecting them after a week. This gave the respondents a humble time to fill in the questionnaires independently and without fear of time factor.

3.7 Data Analysis and Presentation

The statistics were scrutinized using qualitative and quantitative techniques. Descriptive means were involved by scholar and information was obtainable in form of occurrence dissemination tables that enabled explanation and enlightenment of the research results. The investigator reported the results by use of tables.

3.7.1 Qualitative Analysis

The qualitative data was evaluated by emerging Class for the information, then conveying suitable Category for the information, mounting networks between the numerous Groupings and then constructing useful and worth conclusions from the collected information.

3.7.2 Quantitative analysis

This collected information was tested for mistakes and inaccuracies established were corrected. The information was oblique and then examined using evocative data like the measure of tendency and use of ratios, and the information was analyzed by the use of tables.

3.8 Ethical Considerations

Through this entire data collection and analysis, the researcher was faced with challenges of unwilling respondents to fill in the questionnaires. Some requested to be compensated for the time they took to fill in the questionnaires through monetary terms. The researcher viewed this unethical and considered to work only with the willing respondents.

3.9 Chapter Summary

The findings were presented by the use of percentages, frequencies, pie charts, and tables. The analysis used percentages to represent raw streams of information for a better understanding of collected data. Occurrences are used for the early analysis of a data set. Occurrences provide statistics and graphical presentations that are suitable for describing all different kinds of variables.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introductions

The chapter signifies information in previous sections collected in the field as it was analyzed and presented in tables. Other findings were presented qualitatively. The researcher has provided a clear explanation of the study.

4.1 Presentation of Research findings

Sixty questionnaires were issued to the respondents who were working with the organization under study.

4.1.1 Statistics Response

Table.4.1 Analysis of Response frequency

Category	frequency	percentage
Responded	56	93
No reply	4	7
Total	60	100

Sources field data (2017)

Table.4.1 shows 93% were able to fill in the questionnaires, this constituted of 56 questionnaires which were returned and were operational for the study, and 7% did not give back their questionnaires. This shows that majority responded to the study.

4.1.2 Summary of Analyzed data

Table.4.2 Summary of Data analyzed

Target category	Response Frequency	percentage
Managers	4	7
Supervisors	6	11
Clerical officers	26	46
Operations officers	11	20
Support Staffs	9	16
Total	56	100

Sources: field data (2017)

Table 4.2 Summary of the Respondents

It is observed that in Table 4.2, 7% of the respondents were Managers, 11% were supervisors, 46% of the respondents were clerical officers, 20% of the respondents were operational officers and 16% of the respondents were the support staff.

4.1.3 Distribution of Gender

Table.4.3 Gender distribution

Category	frequency	percentage
Male	38	68
Female	18	32
Total	56	100

Sources: field data (2017)

Table 4.3 summary of gender distribution

According to table 4.3, 68% of the respondents are the male category and 32% of the respondents are the female category.

4.1.4 Age Analysis

Table 4.4 Age Analysis

Category	frequency	percentage
18 up to 30 years	20	36
31up to 40 years	19	34
41up to 50 years	9	16
Above 50 years	8	14
Total	56	100

Sources: field data (2017)

Table 4.4, indicate the age response. In this regard, those who were between 18-30 years of age were 36%. The response of those who are 31-40 was 34%. The response of those who were 41-50 was 16%. The minority category was above 50 years since the response was 14%. From the study, it can be understood that the organization has fewer old employees compared to middle age.

4.1.5 Work experience

Table.4.5 Work experience

Work experience	Frequency	Percentage
5 years and below	18	32
6 yrs. up to 10 years	16	29
11up to 15 years	12	21
16 years and beyond	10	18
Total	56	100

Source: field data (2017)

Table 4.6 shows 32% of the respondents have worked for a period 5 years, 29% of the interviewees have worked for 6-10 years, 21% have been employed by the organization for 11-16 years while 18% of the respondents have worked for 16 years and above.

4.1.6 Academic Qualification of the Employees

Table 4.6 Academic Qualification of the employee

Level of education	frequency	percentage
K.C.S.E	22	39
Diploma	18	32
Degree	16	29
Total	56	100

Table 4.7 indicates 39% are secondary graduates, 32% of the respondents are Diploma holders, while 29% of the respondents are graduates. There was no response for the primary category.

4.1.7 Whether warehousing affects inventory replenishment

Table 4.7 whether warehousing affect inventory replenishment

Response	rate	percentage
Agreed	53	95
Disagreed	3	5
Total	56	100

Sources: field data (2017)

Table 4.8 points out the response acquired in regard to the issue of whether warehousing affects inventory replenishment. In this case popular of the respondents representing 95% said that yes it affects while 5% felt that it does not affect.

4.1.8 Rating warehousing effect to inventory replenishment

Table 4.8 Rating warehousing effect to inventory replenishment

Response	frequency	Percentage
Very high	32	57
High	15	27
Moderate	9	16
Low	0	0
Total	56	100

Sources: field data (2017)

Table 4.9 shows the rating of an effect of warehousing to inventory replenishment. 57% respondents rated the effect of as very high, the ratings of high was 27% the effect of moderate was 16%. There was no response on effect as being low and by so doing it can be noted that the effect is very high.

4.1.9 Whether technology affects inventory replenishment

Table 4.1.9 whether technology affects inventory replenishment

Categories	Occurrence	Percentage
Yes	50	89
No	6	11
Total	56	100

Sources: author (2017)

According to table4.10; Designate response got in regard to the issue of whether technology affects inventory replenishment. In this case, the majority representing 89% said that it affects while the rest 11% said that it does not affect. By comparing the two responses it can be distinguished that technology affects inventory replenishment.

4.1.10 rating technology effect to inventory replenishment

Table4.10 rating technology effect to inventory replenishment

Response	Frequency	Percentage
Very high	36	64
High	14	25
Moderate	6	11
Low	0	0
Total	56	100

Sources: field data (2017)

Table 4.11 shows the rating of effect as very high at 64%, while 25% of the respondents rated the effect as high, 11% of the respondents indicated moderately as the rating of low indicated no effect.

4.1.11 whether staff training affects inventory replenishment

Table4.11whether staff training affects inventory replenishment

Categories	Frequency	Percentage
Yes	51	91
No	5	9
Total	56	100

Sources: field data (2017)

Table4.12 indicates the respondents who said yes staff training affects inventory replenishment are 91% while those who said no that staff training does not affect were 9%.This clearly showed that staff training affects inventory replenishment

4.1.12 rating of staff training on inventory replenishment

Table4.12 Rating of Staff Training on Inventory replenishment

Response	Frequency	Percentage
Very high	26	46
High	16	29
Moderate	8	14
Low	6	11
Total	56	100

Sources: field data (2017)

Table 4.13 shows 46% respondents agree staff training on the job would result to very high inventory replenishment, 29% of the respondents say that it would lead to a high inventory management, 14% a moderate extent while the rest 11% of the respondents felt that it would lead to the low extent. This indicated that training affects inventory replenishment to a higher extent.

4.1.13 whether government policy affects inventory replenishment

Table 4.13 whether government policy affects inventory replenishment

Response	Frequency	Percentage
Yes	48	86
No	8	14
Total	56	100

Sources: field data (2017)

Table 4.14 indicated that government policy impacts inventory replenishment very much. In this concern, the majority respondents with 86% said yes that it affects, while 14% felt that it did not affect at all. The assessment shows that the government policy affects inventory replenishment to a greater notch.

4.1.14 rating of Government policy on inventory replenishment

Table 4.14 Rating of Government policy on inventory replenishment

Response	Frequencies	Percentages
very high	40	71
high	9	16
moderate	5	9
low	2	4
Total	56	100

Sources; field data (2017)

Table.4.15 show 71% of the respondents indicated that Government policy affects inventory replenishment, 16% of the respondents felt that it affects to a high extent, 9% felt it affects moderately while 4% of the respondents felt that it would lowly affect replenishment of inventories.

4.2 Limitations of the study

4.2.1 Confidentiality

It proved difficult to access the necessary documents and files that are very confidential to the organization. The respondents were not willing to participate in this exercise as some said they were very busy and feared to disclose the organization information to someone they just met.

Therefore the researcher created an environment of trust by accentuating on keeping the information provided confidential and for research purposes only.

4.2.2 Uncooperativeness

The researcher expected that employees would refuse to cooperate and did not disclose any information. To overcome this problem the researcher used questionnaires and analyzed the answered questions.

4.3 Chapter Summary

4.3.1 General Findings

The Majority response of 93% gave back their questionnaire while the minority 7% did not give back their questionnaire. According to the study, the majority of the respondents are male with 68% while the minorities of workers were the female who represented 32% of the total response attained from the organization. Those who were between 18-30 years of age were 36% and were the majority. The response of those who are 31-40 was 34% closely behind the first category. The response of those who were 41-50 was 16%. The minority was those who are above 50 years since the response was 14%. There was no response for the primary category; the secondary category level had a response of 41%. There was a response 33% for the diploma holders. The majority indicated to have attained a degree in university with a response of 26%.

4.3.2 Government policy

The majority of response representing 86% indicated that government policy affects inventory replenishment in the institution while 14% specified that government policy has no impact on the inventory replenishment. In this regard, it was noted that in every process taking place in the ministry it has to be regulated by the government and therefore the ministry of health concluded that inventory replenishment t was not an exception. It was found that the government of Kenya has set policies regarding the inventory management in every ministry and therefore any measure to be taken in regard to inventory replenishment has to be in consultation with the government. It was noted that government rule is a key player in the catalog management and replenishment and

serious consideration of the government policy need to be put in place for the ministry to perform well in inventory replenishment.

4.3.3 Staff training

Some respondents called for continuous staff training opportunities. 91% indicated that staff training has an effect on inventory replenishment, while 9% felt that it has no effect on inventory replenishment. It was understood that the organization has specialists who have undergone training in regard to inventory replenishment. Moreover, the interviewee directed that the institution engages in the training of employees who are in purchasing and supplies department. In this concern, the interviewees stated that training affects inventory replenishment process since the expertise gained empowers them to purchase goods with self-confidence, and are able to make a right judgment regarding inventory replenishment. It was noted with a lot of concern that the organization needs to have on and off training in order to have effective acquisition of skills that the job demands.

4.3.4 Technology

Technology is vital in any organization; therefore, government institution should embrace technology in order to offer reliable services. Organizations should always attempt the use of technology; this ensures uniqueness of products and services. The respondents indicated that the organization has massively invested in technology with 89% indicating that technology affects inventory replenishment while 11% indicated that technology does not affect inventory replenishment.

4.3.5 warehousing

Warehousing is very vital to an organization performance according to the respondents; the organization has massively invested on the later and provided sufficient space layout for its stock of materials. 95% of respondents indicated that warehousing affects inventory replenishment in the organization, while 5% felt that the warehousing does not affect inventory replenishment. In this regard, it was noted that warehousing is one among the factors that need to be considered in inventory replenishment.

CHAPTER FIVE

THE SUMMARY, RECOMMENDATION, AND CONCLUSIONS

5.0 Introduction

Stage five précises what has been covered in subsequent chapters. It summarizes the major findings of the researcher. It also provides answers to correlated questions, conclusions, recommendation, and inference for scholars who may want to bridge the gaps in the study.

5.1 Research summaries of findings

The issues analyzed regarding the inventory replenishment in NHIF such as government policy, staff training, and technology and warehousing are seen to be affecting inventory replenishment in the organization.

5.1.1What is the effect of government policy on inventory replenishment in the public sector?

It was found out from 84% of the respondents that the organization is highly affected by the government policy. In this regard, it was noted that the government inventory management has to be done under given regulations by the government which on the other hand affects the government performance. It was noted that the government policy highly determines the extent to which a certain activity should be done and by who, when and where. Due to these restrictions by the government, it was noted that it must be having a high contribution to the inventory management, and there for the organization should work in accordance with the set regulations by the government in order for it to be effective in inventory management.

5.1.2 To what extent does staff training affect inventory replenishment in the public sector?

The majority 79% said that the Government involves itself in training of employees who are involved in the inventory management process. The respondents denoted that staff training has an impact on management process to a large extent; this is because the skills learned to enable them to source for goods when they are well informed. It was noted with a lot of concern that the government needs to have on and off training in order to have effective acquisition of skills needed for the processes.

5.1.3 How does technology affect the inventory replenishment in the public sector?

83% of the respondents indicated that technology assists in analyzing data and easy retrieval of the stored goods through the use of bar-coding technology in regard to inventory management. The interviewees were of the opinion that government should ensure use of current technology to enable better services which are timely and reliable.

5.1.4 To what extent do warehousing affect inventory replenishment in the public sector?

According to 88% of the respondents, warehousing related to inventory management, to some extent was seen as one among the factors that if not well taken care of may result in losses, which on the other hand may result in poor performance of the institution. In this regard, the respondents said that although the organization has adequately invested in the current warehouse more needed to be done to ensure that the international standards are met by the organization regarding inventory management.

5.2 Recommendations

5.2.1 Government policy

It's highly recommended that the government of Kenya should set clear policies that support inventory replenishment to avoid confusion which may arise as a result of poor policy regulations. By so doing the government will be in a stable state of ensuring effective inventory replenishment due to proper guidance by the government. This would enable much organization to avoid facing malpractice in procurement procedures that end up being manipulated for self-benefits through corruption

5.2.2 Staff training

Employees should be trained on new skills and knowledge about the implementation of inventory replenishment for better or improved performance in the organization. Whether it's total quality management, new technology is altering and so the abilities that workers must have in order to current times. As outcome staff training and learning the job has reserved a chief role in enabling change and skill achievement. Employees should be taught how well to balance minimum and maximum stock. This training will enable an organization to avoid wastages on last time rush to purchase goods due to unqualified or trained employees.

5.2.3 Technology

It's recommended that the government should ensure the quality system which supports the activities of the organization which are carried out at the government level in order to enable effective service delivery in the government institutions. The government should seek to support current technology like fiber optic networking and management of the same to avoid unreliable internet connectivity. Most of the respondents complained of a slow network at their places of work, it was also discovered that most government office is not connected with internet thus creating a barrier when communicating externally.

5.2.4 Warehousing

The organization is faced with various challenges as long as upkeep of materials is concerned. Although the organization has achieved a lot in ensuring a modern warehouse, there is a need for the management to implement fully occupational health and safety standards (OHSAS) in the warehouse. Most of the respondents were not aware of these standards yet they are of much importance as far as their health and safety are concerned. The government should ensure that the rented building with sufficient spaces as it was noted the organizations material was some packed in sacks for lack of space. This is very risky and could lead to damages of property.

5.3 Conclusions

The government policy is a key factor in the determination of inventory replenishment in the public institutions in Kenya. Government policy tries to focus every person undertaking any activity in the inventory replenishment towards the achievement of a common goal, which contributes highly to the success of an organization. Failure to work under given guidelines results to poor outcome of the inventory replenishment. The organization undertakes the process of training the employees in regard to inventory replenishment. The training of employees has highly resulted to the better performance since the employees are in a stable state of understanding the changes taking place in the procurement process. This tries to equip them on how to go about the processes. Training of employees gives them the confidence to face challenges of inventory replenishment which on the other hand contributes to face the challenges of inventory replenishment.

The use of technology has been very common in the inventory replenishment in different institutions in the country and especially public organizations. moreover it was eminent technology has been vital in ensuring that the data regarding inventory replenishment is well analyzed and retrieval of materials in the warehouse is easy, on the other hand, it has highly assisted in ensuring that proper consultation is done due to effective

communication, which enables the management to maintain high standards of inventory replenishment in the institution.

There are costs incurred in inventory replenishment whereby it was noted that occupational health, safety and standard procedures and processes should be adhered to in the warehouse to ensure safety and avoid wastages of both space and inventories. By adhering to this fully the institution will be better placed to enhance inventory replenishment.

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APPENDICES

APPENDIX 1: RESEARCH QUESTIONNAIRE

My name is Kennedy Musau; a student at the Management University of Africa, undertaking a Bachelor's degree in Management and Leadership, purchasing and supplies option, in order to be awarded the degree; a student is supposed to undertake a research project. The title of my research is '**Factors affecting inventory replenishment in the public sector, a case study of NHIF Nairobi**' your concern in answering the questionnaire is highly appreciated the data you give will be utilized for educational purpose only. I promise confidentiality of gathered statistics. Thank you in advance.

Division A

General information

Kindly read carefully through this questionnaire and give answers; this will include ticking the boxes or filling in the provided spaces.

1. Gender

Male ☐

Female ☐

2. Age

18 up to 25 yrs ☐

26 up to 35 yrs ☐

36 up to 45 yrs ☐

46 yrs and beyond ☐

3. Highest Education Level;

Certificate ☐

Diploma ☐

Degree ☐

Others ☐

If others, Please

Specify.....

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4. What is your designation?

Manager ☐

Supervisor ☐

Operations Officer ☐

Clerical Officer ☐

Support Staff ☐

5. How many years have you been at NHIF?

2 yrs or below ☐

2 up to 5 yrs ☐

6 yrs and beyond ☐

DIVISION B: GOVERNMENT POLICIES

6.(a) Do you consider government policy to affect inventory replenishment in your organization?

Yes ☐ No ☐

b) Explain the reason for your answer

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c)How would you rate the effect of Government policy on inventory replenishment in the organization?

Very high ☐ high ☐ moderate ☐ Low ☐

d) Please explain:

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DIVISION C: STAFF TRAINING

7a) Do you think training of employees has an impact on inventory replenishment in your organization?

Yes

☐

NO

☐

b) Please explain your answer:

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.....

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.....

c) How would you rate the effects of staff training on inventory replenishment in your organization?

Very high

☐

high

☐

Moderate

☐

Low

☐

d) Explain the reason for your answer:

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DIVISION D: TECHNOLOGY

8a) Does technologies affect the inventory replenishment in your organization?

Yes ☐

No ☐

b) Please explain the reason for your answer:

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c) How would you rate the effects of technology on inventory replenishment?

Very high ☐ high ☐ Moderate ☐ Low ☐

d) Please give reasons for your answer

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DIVISION E: WAREHOUSING

9 a) Does warehousing effect inventory replenishment in your organization?

Yes ☐

No ☐

b) Please explain the reason for your answer

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c) How would you rate the effects of warehousing on inventory replenishment?

Very high ☐ High ☐ Moderate ☐ low ☐

d) Please give a reason for your answer

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Thank you.

PROJECT WORK PLAN SCHEDULE

Duration of the project 8 months

Start of the project January 2017

WORK PLAN

ACTIVITIES	TENTATIVE DATES	INDICATOR	REMARKS
Chapter one preparation	January 2017	Finalized	Ready
Literature review	January-February 2017	Finalized	Ready
Methodology and Development of research instruments	March 2017	Finalized	Ready
Collection of Data from the field	July 2017	Finalized	Ready
Analyzing the Data	July 2017	Finalized	Ready
Report writing	August 2017	Finalized	Ready
Presentation and Submission of the Report	Octobers 2017	Ready	

APPENDIX IIIBUDGET

ITEMS	COST(KHS)
Stationary	2,500
Typing and Printing	4,200
Binding	2,200
Photocopying	1,200
Transport	1,350
Airtime Charges	1,000
Total Expenditure	12,450